

Legislative bills address employee issues



March 25 marks the transmittal deadline for appropriation bills, and no major bill affecting state employees has reached the Governor's desk. Given activity in the halls of Montana's capitol, we're certain of only one thing – this status report will be out of date soon after we hit "send."

State Human Resources will publish a special edition of Managing Montana once the 62nd Legislature wraps up. In the meantime, here's a quick summary of major bills addressing state employees' pay, benefits, and pensions, along with the bills' status as of March 25.

Pay – Three bills bear watching:

- HB 13, the pay bill, contains the negotiated deal between Governor Schweitzer and the three largest state employee unions. It proposes a 1% across-the-board pay raise for all state workers in January 2012 and a 3% across-the-board raise in January 2013. It doesn't include any increase in the state share of health insurance premiums. State share would stay at \$733 a month through the next biennium.

The House Appropriations Committee tabled the bill March 22. An attempt by Representative Cindy Hiner to move the bill to the House floor failed 38-54 March 23. The Schweitzer administration will continue to support the negotiated deal contained in HB 13.

- SB 129 originally sought a voter referendum to cap state employee pay at 200% of the median household income in Montana. As passed by the Senate Finance and Claims Committee March 22, the bill is now neither a referendum nor a wage cap. The bill's sponsor, Senator Dave Lewis, amended the bill to remove both elements. He added a proposal to reduce the state share of health insurance premiums for employees earning \$80,000 or more annually.

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Under Lewis's amended bill, employees earning \$80,000 a year would pay an additional 5% of the premium cost. That amount would increase by 5% for each \$1,000 earned above \$80,000; employees earning \$100,000 or more would pay the full premium and receive no state share.

The amended bill also would cap salaries at \$100,000 for employees hired after July 1, 2011. The bill would except documented recruitment and retention problems, provided the employing agency reports the exception and reasons for the exception to the Legislative Finance Committee.

The Department of Administration and the Office of Budget and Planning are still analyzing SB 129. We need to determine, among other issues, whether the reduction of group benefits for employees earning more than \$80,000 violates the equal protection clauses of the federal and state constitutions. Governor Schweitzer's office has opposed both versions of SB 129.

- HB 569 proposes rolling back state employee wages to October 2005 levels. After the sponsor, Representative Wayne Stahl, cancelled a March 4 hearing, the House Taxation Committee reset the hearing for March 24. The House Taxation Committee tabled the bill at Representative Stahl's request March 24. Rep. Stahl did indicate, however, that he plans to introduce another bill to reduce the pay of employees in higher pay bands and grant small pay raises to employees in the lower pay bands.

Health insurance – In this session, most health care and health insurance bills address implementing national health care reform or revising public assistance programs. These bills don't directly affect the state's health insurance plan. The Department of Administration supports two bills – HB 53 and HB 555; both would help contain our group health plan costs. Another bill, HB 551, would require developing an optional high-deductible health plan for state employees; enrollees would have to set up federally-qualified health-savings accounts. The bill would take effect January 1, 2013. It passed third reading in the House March 24 on a 94-2 vote.

Pensions – In 2009, the Montana Public Employees Retirement Administration estimated the liabilities for accrued benefits in eight pension funds. For three of these funds, MPERA said the liabilities could not be paid off in 30 years, as required by law. MPERA subsequently proposed HB 122 to redesign certain aspects of the PERS system.

Representative Sue Malek is sponsoring HB 122. It passed the House March 3 and was heard in Senate Administration March 16. As amended in the House, HB 122 would affect employees in PERS hired on or after July 1, 2011, by

- increasing the period of highest average monthly compensation, used to calculate retirement benefits, from 36 to 60 months;
- increasing the normal retirement age from age 60 to age 65;
- increasing the age of eligibility for early retirement from age 50 to age 55 with five years of membership service;
- eliminating normal and early retirement based on years of service; and
- increasing employees' retirement deduction from 6.9% to 7.9% on July 1, 2011, and to 8.9% on July 1, 2012.

Two other bills propose sweeping design changes to PERS.

- SB 328, sponsored by Senator Dave Lewis, would freeze the defined benefit plan and require all new hires to enroll in the defined contribution plan. Among other changes, the bill would eliminate the vesting requirement for employer contribution for all defined contribution plan members. It would also revise the allocation of employer contributions for the defined contribution plan. The Senate Finance and Claims Committee passed the bill March 22 on an 11 to 9 vote. The Senate passed the bill in second reading March 24 on a 26 to 24 vote.
- HB 608, sponsored by Representative Wayne Stahl, would close all existing state public retirement systems and create an annuity benefit program. It would require 7% employer and employee contributions for both the public employees' and teachers' retirement systems. House State Administration Committee heard the bill on March 22.

Other benefits – The Legislative Fiscal Division offered several ideas last summer to trim the state's budget. Of the resulting bills, one survives as of today.

HB 431, sponsored by Representative Keith Regier, would eliminate Election Day, a holiday every even-year November for all public employees. House Bill 431 passed third reading in the House February 23 on a near party-line vote. The Senate State Administration Committee heard the bill March 18.

Important notice about union negotiations...

Agency directors and human resource officers should forward notices and requests regarding union negotiations to the State Office of Labor Relations. That office will be responsible for communicating with unions relative to negotiations.

As the Governor's designated collective bargaining representative, the State Office of Labor Relations coordinates executive branch labor-management relations.
(Executive Order 40-2008 <http://laborrelations.mt.gov/exeorder.mcp>)

Support each other: re-engage

State Human Resources understands that a big part of retaining state employees means keeping them "engaged." Thus, it's important to realize when and why employees might disengage.

An employee usually starts a job with anticipation and enthusiasm. Then an event happens that makes the employee wonder if he or she made the right decision. Unless something changes, this seed may grow to the point that the employee completely disengages and leaves or, even worse, stays.

With this in mind, we wondered if this legislative session presents that "event" for some employees. We expected this session to be difficult due to the recession. However, we may not have been prepared for the bills that could have a direct impact on state employees.



Employees might be wondering whether they made the right decision to work for the state. They might wonder whether they will stay, retire, or look for other employment if any of these bills pass. These thoughts certainly could plant the seed of disengagement for some employees.

We want managers and leaders to be aware that their employees may be feeling threatened or a little bruised by the session. To avoid letting these feelings fester to total disengagement, you can take steps now to keep people engaged or even to re-engage them.

- Talk about it. Ask how your co-workers are feeling about the session. Let each other know the feelings are normal and shared by many. Avoid ignoring the issue – listen.
- Understand and discuss the legislative process, the likelihood that these bills will pass, and what it really means for each one individually. Sharing information about what is known and what is unknown helps to build trust.
- Let each other know the work we do is valued and contributes to the state of Montana. We care about each other as individuals and as members of our teams. We respect each other's contributions. Celebrate the positive.

Remember to show that care and respect, especially for the next few months. If you want more tips or advice, call Joe Schopfer (444-2686) or Lisa Coligan (444-3854).

Disability Mentoring Day hosts students

Last December 9, the State Human Resources Division hosted a Disability Mentoring Day. Nine students and three teachers from Helena High School and Capital High School took part in the daylong event.

Lieutenant Governor John Bohlinger and his dog Sophie greeted participants in the governor's reception room. The Lieutenant Governor asked the students about their dreams and aspirations. After a visit to the Lieutenant Governor's office, a little bit of candy, and a brief photo shoot, the students took a quick tour of the Capitol.

Representatives from Administration, Fish, Wildlife & Parks, Agriculture, and Health and Human Services met with the students and teachers at the Capitol. Based on career interests, the students were matched up with one of these four agencies. They then went to their respective agencies where they went on tours and spent time with their mentors.

Depending on which agency they visited, participants learned about

- various insects in Montana;



- safety and security, including rides in a police car and fire truck;
- Montana's wildlife, with the chance to see a black bear up close and personal;
- state government's administrative, maintenance, and IT support;
- programs offered by Health and Human Services, including a hands-on tour of the Montana Telecommunication Access Program.

After indulging in some pizza and pop, participants ended the day with a visit to the Montana Historical Society. They learned about Montana's rich history and Native American culture.

State Human Resources thanks everyone who made this a fun, educational, and memorable event possible. State Human Resources also appreciates the Secretary of State's office for hosting a student last October.

If your agency is interested in hosting participants at this year's Mentoring Day on October 20, 2011, contact John Pavao at 444-3984 or jpavao@mt.gov.

Revised EAP gets underway

The Health Care and Benefits Division has redesigned the Employee Assistance Program and launched its program in January. The Healthy For Life Employee Assistance Program is free for all members of the State Employee Benefit Plan – active employees, spouses, dependents, and retirees.

These benefits provide free or discounted services for any member interested in preventing chronic disease and modifying their health risks. Program benefits include

- four free counseling visits;
- health coaching;
- prenatal services and enhanced prenatal medical benefits;
- a weight management program;
- a tobacco cessation program;
- the Take Control Diabetes Management program;
- links to resources for "self-driven" health;
- links to crisis services, legal assistance, and financial counseling assistance.

In addition, your agency may contact the Health Care and Benefit Division for counseling services or onsite intervention following a critical incident. An example of a critical incident might be the sudden death of a co-worker.

For details please, visit the [HCBBD website](#). You may also e-mail questions to benefitsquestions@mt.gov or call 800-287-8266.

PDC offers on-line orientation training

The Professional Development Center (PDC) has launched an online, on-demand version of New Employee Orientation. This three-hour presentation provides timely and convenient information to your new employee while reducing your staff time.

New employees may access the training modules and make informed decisions about health care benefits and retirement plans. Hyperlinks take employees to the New Hire tour, to policies and guides, to SOME info, and to the benefits booklet. PDC tracks employees' progress through the training.

This online course includes presentations from

- Health Care and Benefits Division
- Montana Public Employee Retirement Administration
- Deferred Compensation
- Human Resources Information Services
- Employee Safety Program
- Worker's Compensation Management Bureau
- Human Resources Policies & Programs
- Professional Development Center
- Risk Management and Tort Defense
- Try Another Way State Employees



Once enrolled, your new employee has access to the training modules for four weeks. The program lists time frames for each module.

You can register your new employee online at pdc.mt.gov. The investment is \$40.

Alternative formats ...

The State Human Resources Division will make reasonable accommodations to provide an alternative accessible format of this newsletter. If you need an alternative format, please contact the Division at 406-444-3871 or TDD 406- 444-1421.